

Liaison Meeting
10:15 a. m. – March 8, 2006
Room 330, Transportation Building
Bismarck, North Dakota

Attendees

There were forty-five attendees representing eight companies, along with representatives from the Associated General Contractors (AGC) and North Dakota Department of Transportation (NDDOT). The meeting was held in Room 330 of the Transportation Building and broadcast via the NDDOT's video conferencing sites set up at our district offices in Grand Forks, Fargo, Valley City, Devils Lake, Minot, Williston, and Dickinson.

Dave Sprynczynatyk, Director, North Dakota Department of Transportation

Director Sprynczynatyk welcomed everyone to the meeting. Introductions were made in all locations.

Federal Funding Update

It was believed there would be \$407 million in federal funds available for the 2006-2007 biennium; but due to an increase in the federal funding, there will be \$410 million available. This increases the state matching funds an additional \$600,000. After the last legislature met, there was an anticipated shortage of \$2.5 million even after increases to fuel tax and motor vehicle registration fees. With the additional funding, there is now an anticipated shortfall of \$3.1 million. NDDOT is committed to finding a way to match the federal funds and not lose any federal dollars.

The number of construction projects has decreased due to an increase in bid amounts. There are \$23 million in projects that will not be done this year because of increased costs, including US 81 Junction 66 to Junction 5 by Hamilton, ND 18 Portland to Junction 18, I-94 Fryburg to Belfield, and I-94 ND 25 to the west side of ND 1806. NDDOT has also made adjustments in allocations to cities and counties.

There were \$206 million in projects awarded last year. This year, with the Memorial Bridge, it will be over \$206 million.

Question: Will the repairs to the Memorial Bridge affect the number of projects let this year?
Answer: Yes. It will impact the number of jobs because the funds for repairs must come from somewhere.

DBE Program

There was a 1% increase in participation as of the last bid opening with about half of the jobs having been awarded. Several February projects have not been awarded yet because the goals for those jobs were not met, and the DBE

Participation Review Committee is reviewing them to determine if good faith efforts were achieved.

We need to work together to make significant progress on meeting the DBE goal. If significant progress is not made, Director Sprynczynatyk will ask staff to sit down with everyone to find out what can be done to meet the goals.

Deb Igoe, Civil Rights Program Manager

WYDOT DBE Program

WYDOT has achieved their DBE goal for the last five years through race-neutral programs with one contractor. The DBE prime has now graduated from the DBE program and WYDOT will no longer be able to count those dollars toward their goal. WYDOT feels it will be very difficult for them to reach their goal in the future. WYDOT has a race-conscious special provision; and if their goal is not met, they will implement this special provision.

Electronic Sign-In

- There was a glitch with the sign-in report that has been corrected. The report was faxed to everyone who requested it.
- There will be a new way to sort the sign-in report by job number. We have a 75% assurance that it will be ready for the March 15th bid opening.
- The preliminary list of email addresses that was posted has errors that are being corrected today.

Cal Gendreau, Construction Services, Construction Engineer

Fuel Clause Adjustment

The fuel cost escalation concerns gas, #2 diesel, and hot mix plant burner. There is concern about the rising cost of fuels. The current fuel clause is catastrophic in nature, and the new clause will address the rising fuel costs. NDDOT is looking for a workable provision for the owner and the contractor. The current clause is on every contract. The new clause would be an opt-in or opt-out for rising and falling fuel prices.

NDDOT is looking for a base cost close to the bid opening date; possibly one month previous to the bid opening date as opposed to the current six weeks. The earliest the new clause would be used would be for the May 2006 bid opening.

Question: What source is being used for the fuel cost?

Answer: DTN currently provides a daily cost to NDDOT, and Opus has also been contacted but is pricey.

Contractor/Subcontractor Mark Up Update

NDDOT has been working with a group to standardize the markup on extra work done by subcontractors where there is no contract for the extra work, and the extra work is needed to complete the project. The provision would be similar to current force accounting, which is a value plus a certain percentage. This is to reimburse prime contractors for all costs. This should streamline change orders. The agreement will be put in the supplemental specifications when it is completed.

Question: What is the timetable for the markup?

Answer: The soonest would be for the May bid opening. The provision must be approved by the Federal Highway Administration before it can be used.

Question: Who is working with NDDOT on this?

Answer: There is a group of AGC contractors working with NDDOT. Russ Hanson at AGC can provide a list of the contractors. So far the group has worked out 10% up to \$15,000 and 5% if over \$15,000, with no limit.

The point that may make a difference is how much supervision the prime provides. This may make a difference in the percentage.

Other questions or issues

Question: With the February changes to the race-conscious special provision, what effect will not signing in have on the validity of a bid?

Answer: The DBE Participation Review Committee has looked at the documentation provided and will take the same steps as it has in the past when a step has been missed. The committee will look at the whole effort and will make a recommendation to the Director. The Director will make the final decision.

Load restrictions went into place on Monday. The posting system has changed and is available on the NDDOT website. If there are any questions, please contact the District Engineer.

The March bid opening is a large one; \$69 million in projects. There are a couple of projects that have issues. They are Job 22 in Devils Lake and Job 26 Highway 12 in Dickinson. Addendums will be sent out Friday or Monday if problems continue.

There are federal and NDDOT initiatives to close out projects early if possible. Please get the paperwork in as soon as possible so projects can be closed out, and the dollars tied to those projects can be released and used elsewhere.

The next bid opening is April 21st, and the next liaison meeting has not been scheduled yet.

South Dakota has a bid opening on April 19th.

The Memorial Bridge bid opening is April 28th.

Conclusion

Director Sprynczynatyk believes that the DBE goal can be achieved if we work together. There was good progress made in the last bid opening, but we are 4% short of meeting the goal.

Grant asked if there were any further questions. No questions were asked.